

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**  
**Bond Bill**

Senate Bill 715 (Senator Van Hollen, *et al.*)  
Budget and Taxation

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**Creation of a State Debt - Montgomery County - Maryland College of Art and  
Design**  
**(\$600,000)**

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This bill provides \$600,000 in State bond proceeds as a grant to the Maryland College of Art and Design to repair, renovate, and equip the existing facility in Silver Spring, including additional classroom and studio space, library and computer facilities, and to relocate the Gudelsky Exhibition Gallery.

The Maryland College of Art and Design must provide matching funds by June 1, 1999. The matching funds may consist of in kind contributions or funds expended prior to the effective date of this bill.

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**Fiscal Summary**

**State Effect:** This \$600,000 bond authorization would be part of the total \$415 million general obligation debt authorization for FY 1998 as recommended by the Capital Debt Affordability Committee. State debt service costs on the \$415 million would be a maximum of \$43.9 million annually based on an interest rate of 4.90%.

**Local Effect:** None.

**Small Business Effect:** Minimal effect on small businesses as discussed below.

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**Fiscal Analysis**

**Small Business Effect:** This bond bill would be part of the annual State capital program. Each year, the State approves a program of general obligation bond funded capital spending. The fiscal 1998 funding totals \$415 million, an amount consistent with the level of funding

authorized in prior years. The State's capital program contributes to the construction industry in Maryland, which includes many small businesses. In 1995, the total value of non-residential building construction contracts in Maryland was \$1.8 billion. The fiscal 1998 capital program will continue the State's contribution to the construction industry in Maryland but because it is only \$15 million over the fiscal 1997 level, it will not add substantially to it.

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**Information Source(s):** Department of Fiscal Services

**Fiscal Note History:** First Reader - March 3, 1997

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